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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

30190063
TASK 2887
0001

March 17, 2009

John Byars
Red Cliff Mining Company Inc.
321 So. 100E.
P.O. Box 576
Emery, Utah 84522

Subject: Permit to Commence Small Mining Operations, Red Cliff Mining Company, H and B Mine, S0190063, Grand County, Utah

Dear Mr. Bayers:

The Division finds your notice of intention (Notice) complete and approves the reclamation surety for the H and B mine. You are now permitted to conduct small mining operations on 2 acres as outlined in the Notice provided you have approval from the School and Institutional Trust Lands Administration and any other appropriate agency. The approval or acceptance of a complete notice of intention does not relieve an operator from his responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations. An approved NOI must also be filed with SITLA in addition to the lease.

Please keep in mind the following regulatory requirements.

- The Division must be notified no later than 30 days after beginning mining operations.
- Mining disturbance is only allowed in the area identified in the Notice and Reclamation Contract.
- Stockpiling topsoil material prior to beginning activities will help ensure successful revegetation. Even the first few inches of undeveloped material are worth saving to aid in later revegetation efforts, and future regulatory surety release.
- If you encounter any archaeological or historical items, you are asked to notify this office and State History of your find.
- Annual permit fees are due July 30th of each year.
- Annual reports are due by December 31st of each year.
- The reclamation surety will be reviewed every 3 years.
- The Division requests that the disturbed area boundary (including access/haul roads) be marked with metal T-posts to identify the area permitted for mining.



Page 2
John Bayers
S/0190063
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The Division's web page at <http://ogm.utah.gov/> under the Mining Program has links to the rules under which you are expected to operate and to other information to assist you in complying with program requirements. Thank you for your cooperation. In reply, please refer to file number S0190063. If you have questions or concerns regarding this letter, please contact Paul Baker at (801) 538-5261 or Tom Munson at (801) 538-5321. Best wishes with your mining venture.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dana Dean', with a long horizontal flourish extending to the right.

Dana Dean, P.E.
Associate Director of Mining

DD:TM:vs
Attachment: Approved SMO Notice
Enclosure: Copy of RC & surety forms
cc: Johnblake@utah.gov
dgough@grand.state.ut.us
P:\GROUPS\MINERALS\WP\M019-Grand\S0190063-HandB\final\APVL-2887-03102009.doc

Mine Permit Number 5/09/0063 Mine Name Hand B Mine
Operator Red Cliff Mining Co. Date ~~Sent~~ Received 3-17-09
TO John Byars FROM Dana Dean

☐ CONFIDENTIAL ☐ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE
☐ MULTIPUL DOCUMENT TRACKING SHEET ☒ NEW NOI npv. ☐ AMENDMENT
☐ OTHER _____

Description

2009-Record Number

☒ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded
New Aproved NOI 03102009npv 0001

☐ NOI ☒ Incoming ☐ Outgoing ☐ Internal ☐ Superceded
SMD-MRRC $\frac{1}{2}$ LOC documents 2009-0002
Application for Transfer 2009-0003
Letter Requesting Transfer w/ MRREV 2009-0004

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 8 1/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: _____

CC: _____